

Community Bank Coverage You Can Trustee



Trust-ee /trə stē/ *noun* - an individual person or member of a board given control or powers of administration of property in trust with a legal obligation to administer it solely for the purposes specified.

Community banks can serve as trustee and the vast majority do a good job, however if the beneficiaries feel they are not doing a good job they can sue, resulting in costly legal fees even in the ruling is favorable, moreso if [settled](#). If criminal acts occur the bank can still be sued [for failing to catch the misdeeds](#). Trust funds are [not usually accessible](#) for the defense, although sometimes the cost can be [recouped from the plaintiff](#).

Among the many coverage offered by Travelers **Community Banks Business Insurance** is trust errors and omissions coverage to help protect banks (and any insured persons) from a wide range of exposures related to providing trustee services:

- All trust liability protection is under one policy, with coverage extending to the bank, its directors, officers and employees
- Coverage applies to a wide range of trust acts, including executor, administrator or personal representative of estates, administrator of guardianships, manager of personal property, and more
- Policy automatically includes coverage for the bank as trustee of any IRA or Keogh account

Critical Policy Features:

Directors and Officers Liability (D&O):

This policy provides liability protection when claims are asserted against directors and officers for actual or alleged wrongful acts. The assets of the company or organization, as well as the personal assets of its directors and officers, are protected from costly litigation.

Employment Practices Liability (EPL):

This policy helps protect company assets from employee lawsuits alleging discrimination, harassment or wrongful termination and other employment-related claims.

CyberRisk:

This policy provides coverage to protect against data breaches and other fast-evolving cyber exposures not covered by standard property and liability policies. The Travelers CyberRisk policy responds in multiple ways, such as security breach remediation and notification expense, network and information security liability, regulatory defense expenses, crisis management event expenses and computer program and electronic data restoration expenses.

Fiduciary Liability:

Fiduciary liability insurance responds to claims made against employers, employee benefit plans, board members and employees for breaches of fiduciary duty with respect to employee benefit plans. These claims can include allegations of imprudent investment of plan assets, excessive fees paid to service providers, non-compliance with plan documents, and false and misleading statements to plan participants.

Bankers Professional Liability Coverage:

Community banks offer a variety of services to customers, and such services continue to expand - especially with the evolution of the e-business platform. Personnel who manage these professional services, as well as the bank itself, could be liable if errors and omissions occur in the execution of services. With bankers professional liability coverage from Travelers, banks can be protected from a wide range of related exposures.

The product and eligibility may have been revised or discontinued since the original article was written. Review the Information page for each product on Big "I" Markets for current content and instructions.



www.bigimarkets.com

[Forget Password?](#)

[BIM Help Desk](#)

[TFT Archives](#)

Trust Liability Insurance:

Among the many roles potentially served by a bank and its employees is that of trustee. As a trustee, a bank may be responsible for managing an estate, a trust account or other similar asset. This representation could occur in a variety of capacities, including executor, administrator, custodian, and other roles. But the banker who assumes this role, as well as the bank itself, could be liable if a customer is not pleased with the service provided, or if errors and omissions occur.

Professional Liability for Financial Institutions:

Professional liability coverage is designed to protect all types of financial institutions and their directors, officers, and employees from claims relating to the rendering of professional services. Insurance company professional liability insurance is intended to protect insurance companies from claims arising out of their claims handling. Financial institutions professional liability can assist banks and credit unions with lender liability and professional services claims.

Financial Institutions Bond:

Financial Institutions Bond, with optional endorsements for social engineering fraud, electronic signatures, virtual currency, and account takeover coverages, provides an important backstop against the actions of dishonest employees, protecting a financial institution's balance sheet, assets and stakeholders' investments.

Kidnap & Ransom (K&R):

This coverage helps safeguard companies and their key managers against the significant costs associated with kidnappings and extortion, including threats of bodily harm, property damage, product contamination, computer viruses or loss of trade secrets.

Identity Fraud Expense Reimbursement:

The coverage reimburses certain expenses relating to restoring a victim's identity, including lost wages, pre-approved attorneys' fees, long distance telephone charges, loan re-application fees and notary and certified mailing charges.

Travelers SelectOne® for Community Banks, underwritten by Travelers Casualty and Surety Company of America, is endorsed by the [Independent Community Bankers of America](#). To find your local community bank, visit ICBA's community bank locator at www.icba.org/locate. Simply type in your zip code and the app will show you all the community banks in your area.

A specimen policy is located in "Product Resources" on www.bigimarkets.com.